



Clark County Treasurer Investment Pool Monthly Report

December 2022

Key Performance Indicators

	Dec. 2022	Dec. 2021
County's Book Value Yield	1.66%	0.59%
State LGIP's Book Value Yield	4.12%	0.09%
County's Total Market Return	-2.06%	-0.36%
Benchmark's Total Market Return	-1.97%	0.03%
County's Effective Duration	1.15 yrs.	1.34 yrs.
Benchmark's Duration	1.29 yrs.	0.94 yrs.
Average Maturity	1.28 yrs.	1.47 yrs.
Net Asset Value (NAV)	\$0.967686	\$0.998246
County's Book Value	\$1,044.5 mm	\$1,080.7 mm

Current Market Yields

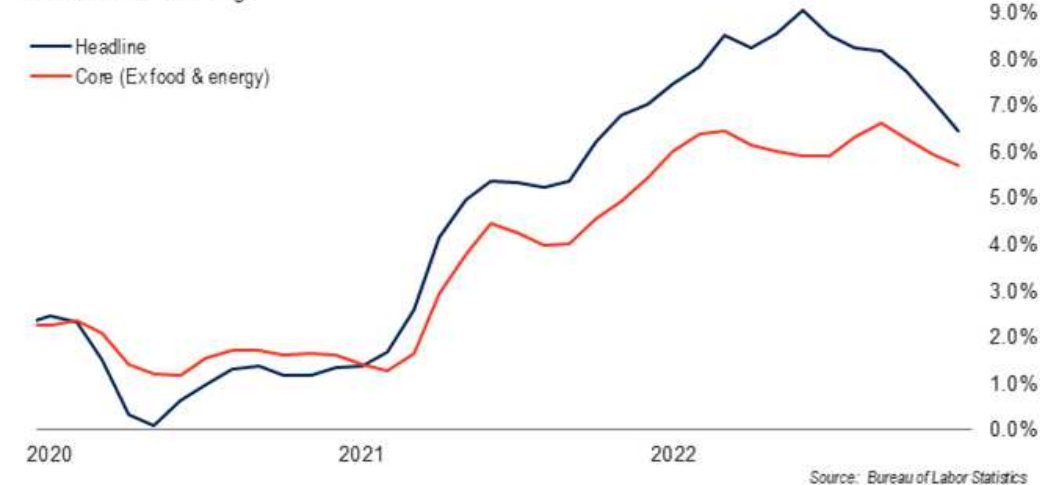
Fed Funds Rate (upper)	4.50%	0.25%
2-year Treasury Note	4.41%	0.73%

- At its December meeting the Fed slowed tightening, raising rates 50 basis points (bps) after four consecutive hikes of 75bps. Meeting minutes indicate they still have work to do, but they're encouraged by the slower inflation reports. Restrictive policy will be maintained until there is confidence that inflation is coming back down to 2%, which will likely take some time. Unlike the Fed Funds futures market which expects the first rate cut as early as Q3 of 2023, no Fed participant anticipates a rate cut in 2023.
- Based on both December's ISM indices, manufacturing and services, economic activity appears to be weakening. The services sector plunged more than 6 points to 49.6. This is the first time it has dropped below 50 since the pandemic and one of the largest monthly declines on record.
- Since March, the Fed has raised the Fed Funds rate 425 bps. So far, these hikes have done very little to weaken employment or lower wage inflation. The labor market remains resilient, with job openings not declining as fast as expected. There are still 5 million more job openings than there are unemployed workers. December added 223k nonfarm payrolls, beating expectations for the ninth month in a row. The unemployment rate declined from 3.65% to 3.47%, a new low since May 1969.
- Equity markets ended lower in December and suffered their worst year since 2008. S&P 500 declined 5.9% in December (19.4% YTD) and the Dow 4.2% in December (8.8% YTD). Treasury yields ended higher than November with the 2-year 10 bps higher ending at 4.41% in December, a 369 bps increase YTD.

Inflation:

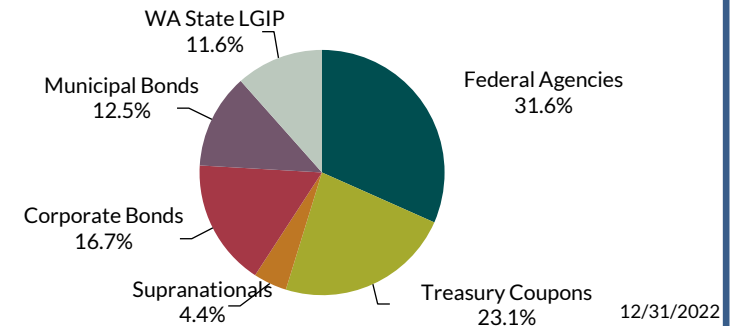
Consumer Price Index

Year-Over-Year % Change



Consumer Price Index (CPI) declined 0.1% in December as expected, following a 0.1% increase in November. Year-over-year, consumer prices rose 6.5%, down from the 7.1% reported in the prior month and the sixth consecutive month of cooling price pressures, albeit still near a 4-decade high. In the details, food and services prices increased while energy and commodities declined.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$918.9 mm	1.31	1.59	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$125.6 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$1,044.5 mm	1.15	1.29	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)